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SUBJECT: ROCK ASH SHIPMENTS FROM PUERTO RICO TO DOMINICAN
REPUBLIC STIR PUBLIC RELATIONS CONTROVERSY FOR U.S. FIRM

1. (SBU) SUMMARY: A controversy over rock ash shipments from a Puerto Rico power plant owned by U.S.-based energy company AES has become a topic of local comment. The Dominican Environment Secretariat confirms that the local firm that imported the product for construction in the north obtained all required permits and the material is an environmentally safe, commercial product. The press has featured assertions from the political opposition and others that the product is toxic waste -- an erroneous result leaked by the technical lab of a local university. End summary.

2. (U) A controversy over shipments of rock ash from a Puerto Rico power plant has become a topic of local comment. Rock ash is a coal combustion product (CCP) or by-product from burning coal in coal-fired power plants, such as the AES power plant in Puerto Rico. CCPs are used for making cement, building roads, backfilling, and even building and consumer products.

3. (SBU) AES Puerto Rico Plant Manager Al Dyer, his associate Neil Watlington, and local AES President Julian Nebreda briefed Charge and emboffs April 21 on the rock ash shipments. The company representatives said that AES Puerto Rico had contracted Florida-based Silverspot Corporation to remove the rock ash. Silverspot, in turn, established a Dominican company to further process the rock ash and distribute it to commercial end-users in the Dominican Republic or the United States. The company had distributed rock ash to the Port of Manzanillo for parking lot construction and to the Port of Samana. Both are located on the north coast of the country. Silverspot, AES and the Secretariat of Environment have confirmed to emboffs that

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Silverspot obtained the necessary permits.

4. (SBU) Charge told the AES representatives that the embassy stood ready to assist in every way possible, as it has with energy payment issues, but advised that the company needed to consider carefully the public relations aspect of the rock ash shipments and the potential impact of negative press on the company's Dominican energy interests (AES operates the regional power distribution company EDESTE and owns a generating plant).

5. (SBU) After local press began reporting in late March that rock ash from the United States was being "dumped" in the Dominican Republic, a local university tested the product and announced that it contained unsafe levels of heavy metals and other toxins. The press and internet sites associated the rock ash with birth defects and dead whales on Dominican beaches, and alleged that the United States had violated the United Nations Environment Programme's Basel Convention on the Control of Transboundary Movements of Hazardous Wastes. Editorials included sensational captions, such as "Garbage Dump of the Caribbean." The Dominican Senate considered a resolution calling for the re-export of the material to Puerto Rico.

6. (SBU) On April 15, Secretary of the Environment and Natural Resources, Frank Moya Pons, told Embassy officers that, while he awaits the results of a full investigation he commissioned from the Environmental Prosecutor, an EPA finding on the laboratory analysis of rock ash would add credibility to his agency's efforts to make an impartial, science-based decision. He said he would also welcome embassy efforts to publicize EPA's findings. Embassy has contacted EPA and will follow up with a formal request for assistance with sample analysis.

7. (SBU) On April 16, Econoff met with Sub Secretary of the Environment Rene Ledesma, who had issued the environmental permits to import the substance. Ledesma acknowledged the public relations brouhaha but presented a notebook of documents defending his decision. His findings appeared to be supported by information from the U.S. Environmental Protection Agency, indicating that the Dominican university study had used flawed methodology and that the product was environmentally friendly. Ledesma commented that the university had suspended the employee who had "leaked" the flawed study.

18. (SBU) Ledesma said that a PRD senator from Samana who was from a faction of the party opposed to Mejia had pursued the issue for political reasons. Ledesma also speculated that local clinker suppliers were objecting to the importation of rock ash for protectionist reasons .

17. (SBU) Econoff spoke with a leading whale expert and environmentalist residing in Samana, raising the issue of a dead whale recently washed ashore on the north coast. She said that the studies she had seen on the rock ash showed safe levels of metals and other substances and that from her observations, there was no adverse environmental impact from the shipments. She said that coastal contamination could not have been the cause of the whale's death, since it was a "deep-water whale," not one of the humpbacks that migrates each year to shallow Dominican waters.

18. (SBU) Silverspot owner Roger Fina told Embassy's Commercial Counselor April 20 that he was in the Dominican Republic in response to a subpoena and that he wanted to resolve the misunderstandings over the rock ash shipments. He provided much of the same information concerning the studies and indicated he would be meeting with GODR officials.

19. (SBU) In response to a question from university students on April 20 President Mejia commented that the environmentalists complaining about the shipments had exaggerated and were "blatherers who had an opinion on everything." However, he added that rock ash was not "such a good thing" and that his Environmental Secretariat should not have permitted it to enter the country. If it provided toxic, it should be immediately sent back to Puerto Rico.

COMMENT

10. (SBU) This public relations scandal has elements of politics, commercial protectionism, and happy scandal mongering. There has been so much negative press that AES and Silverspot have little chance of fully informing and changing public opinion, even with scientific evidence. The GODR may well let matters lie, depending on how this continues to play out in the media. The firms involved have stopped shipments for now and intend to counter the toxicity issues with independent studies followed by a public message. AES previously received negative publicity over rock ash shipments, but the similar incident last year faded from the press after a couple of days. The more immediate problems of AES concern payments due from the GODR and other participants in the energy sector.

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